



DEBRA K. DAVENPORT, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

WILLIAM THOMSON
DEPUTY AUDITOR GENERAL

June 14, 2006

Governing Board
Tuba City Unified School District No. 15
P.O. Box 67
Tuba City, AZ 86045-0067

Members of the Board:

In our November 15, 2005, compliance review report we notified you that the District had not complied with the *Uniform System of Financial Records* (USFR) for the year ended June 30, 2004.

We have since reviewed the District's audit reports and USFR Compliance Questionnaire for the year ended June 30, 2005, to determine whether the District was in compliance with the USFR as of that date. Based solely on our review of these documents, the District has complied with the USFR.

However, we noted that the District still had numerous internal control deficiencies cited by its auditor in the USFR Compliance Questionnaire. These deficiencies indicate that the District's internal controls are still especially weak in the areas of student activities and auxiliary operations cash receipts and ensuring compliance with the School District Procurement Rules (*Arizona Administrative Code* R7-2-1001 et seq) and guidelines for competitive purchasing below the dollar limits required for sealed bids (USFR pages VI-G-8 and 9).

Although the cited deficiencies do not cause substantial noncompliance, the District must take corrective action to continue to satisfactorily comply with the USFR.

If you have questions concerning the deficiencies or how to correct them, or would like a written summary of deficiencies with recommendations for correction, please call Magdalene Haggerty, Accounting Services Director, or Laura Miller, Accounting Services Manager, at (602) 553-0333.

Sincerely,

Debra K. Davenport
Auditor General

DKD/MH/lm

cc: Dr. Hector Tahu, Superintendent
Mr. Joseph Begay, Business Manager
Tuba City Unified School District No. 15
The Honorable Cecilia Owen, Coconino County School Superintendent
Ms. Vicki G. Salazar, Associate Superintendent of Financial Services
Arizona Department of Education